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MEMORANDUM: Persian Gulf Oil to South Vietnam

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reports as follows, from his Defense contacts:

1. Military activities ashore (including land-based aircraft) in South Vietnam and Thailand consume POL 100,000 bbls per day = 7.5 million tons per year.
2. Navy fuel oil consumption in the Western Pacific and in Southeast Asia (including the 7th Fleet) is 80,000 bbls per day = 4 million tons per year.
3. It is crudely estimated that 50,000 bbls per day of this = 2.5 million tons per year, is used for Navy ships afloat in the Western Pacific and in Southeast Asia (including the 7th Fleet).
4. Fuel for Navy carrier-based aircraft (jet and conventional) comes almost entirely from the US and the Caribbean.
5. Therefore, total relevant POL consumption in the Vietnam area is 200,000 bbls per day = 10.0 million tons per year.
6. Of this total, it is believed that at least 75% of the POL comes ultimately from Persian Gulf crude oil, i. e., 150,000 bbls per day = 7.5 million tons per year.
7. Note, however, that Persian Gulf crude oil includes Iran as well as the Arab States. The Defense unit that lets contracts for POL has no way of knowing specifically where its contractors get the crude oil from which they furnish refined product, so that we do not know what proportion of the 75 % comes from Iran and what from the Arabs.

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